

COOK, YANCEY, KING & GALLOWAY

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February 1, 2002

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When calling relative to this
matter, refer to file No. 1024.

Honorable Philip N. Asprodites
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

Re: Pettit Zone
Upper Hosston Formation
Lower Hosston Formation, Reservoir A
West Arcadia Field
Bienville Parish, Louisiana

APPLICATION FOR PUBLIC HEARING

Dear Sir:

KCS Medallion Resources, Inc. hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Pettit Zone, the Upper Hosston Formation, Reservoir A, and the Lower Hosston Formation, Reservoir A, in the West Arcadia Field, Bienville Parish, Louisiana:

1. To authorize KCS Medallion Resources, Inc. to drill, designate and utilize its R. P. Thomas No. 1 Well as a substitute unit well for PET SUE at the location shown on the plat which is attached hereto and made a part hereof in exception to the spacing provisions of applicable orders;
2. To authorize KCS Medallion Resources, Inc. to drill, designate and utilize its R. P. Thomas No. 1 Well as an alternate unit well for U HOSS SUE at the location shown on the plat which is attached hereto and made a part hereof in exception to the spacing provisions of applicable orders;
3. To establish a single additional drilling and production unit for the exploration for and production of gas and condensate from the Lower Hosston Formation, Reservoir A, in the West Arcadia Field, Bienville Parish, Louisiana, to be designated L HOSS RA SUF, as shown outlined on the plat attached hereto and made a part hereof;

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4. To force pool and integrate all of the separately owned tracts, mineral leases and other property interests within the proposed unit in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950 with each tract sharing in unit production on a surface acreage basis of participation;
5. To recognize the Xeric Oil & Gas Corp. - Hamner No. 1 Well as the unit well for U HOSS RA SUE and Xeric Oil & Gas Corp. as operator of said well;
6. To designate the KCS Medallion Resources, Inc. - R. P. Thomas No. 1 Well as the alternate unit well for U HOSS RA SUE and KCS Medallion Resources, Inc. as operator of said well;
7. To specifically recognize Xeric Oil & Gas Corp. and KCS Medallion Resources, Inc. as the operator of their respective wells located on U HOSS RA SUE and to authorize said operators to separately report production from such wells to the Office of Conservation
8. To designate the KCS Medallion Resources, Inc. - R. P. Thomas No. 1 Well as the unit well for L HOSS RA SUF at the location shown on the plat attached hereto and made a part hereof;
6. To extend existing field rules to the proposed units except to the extent inconsistent herewith;
7. To consider and cover such other matters as Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Pettit Zone in the West Arcadia Field, Bienville Parish, Louisiana was fully defined in Office of Conservation Order No. 692-B, effective on and after April 1, 1966.

The Upper Hosston Formation, Reservoir A, in the West Arcadia Field, Bienville Parish, Louisiana, was fully defined in Office of Conservation Order No. 692, effective on and after April 1, 1965.

The Lower Hosston Formation, Reservoir A, in the West Arcadia Field, Bienville Parish, Louisiana, was fully defined in Office of Conservation Order No. 692-C, effective on and after May 1, 1981.

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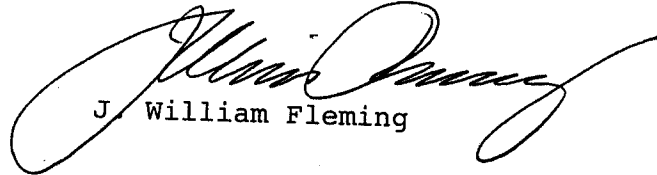
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Any pertinent data relating to this matter can be obtained at the cost of the requesting party from Mr. Gary Leonard, KCS Medallion Resources, Inc., 400 Travis Street, Suite 1309, Shreveport, Louisiana 71101, telephone number (318) 425-4789.

The attached list includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search and a copy of this application, with plat attached, is being sent to each such party. Pursuant to Office of Conservation regulations, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Also enclosed is the application fee for this matter.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY



J. William Fleming

JWF:s

Enclosures

cc: Mr. James C. Broussard, District Manager
Interested Owners, Represented Parties and
Interested Parties

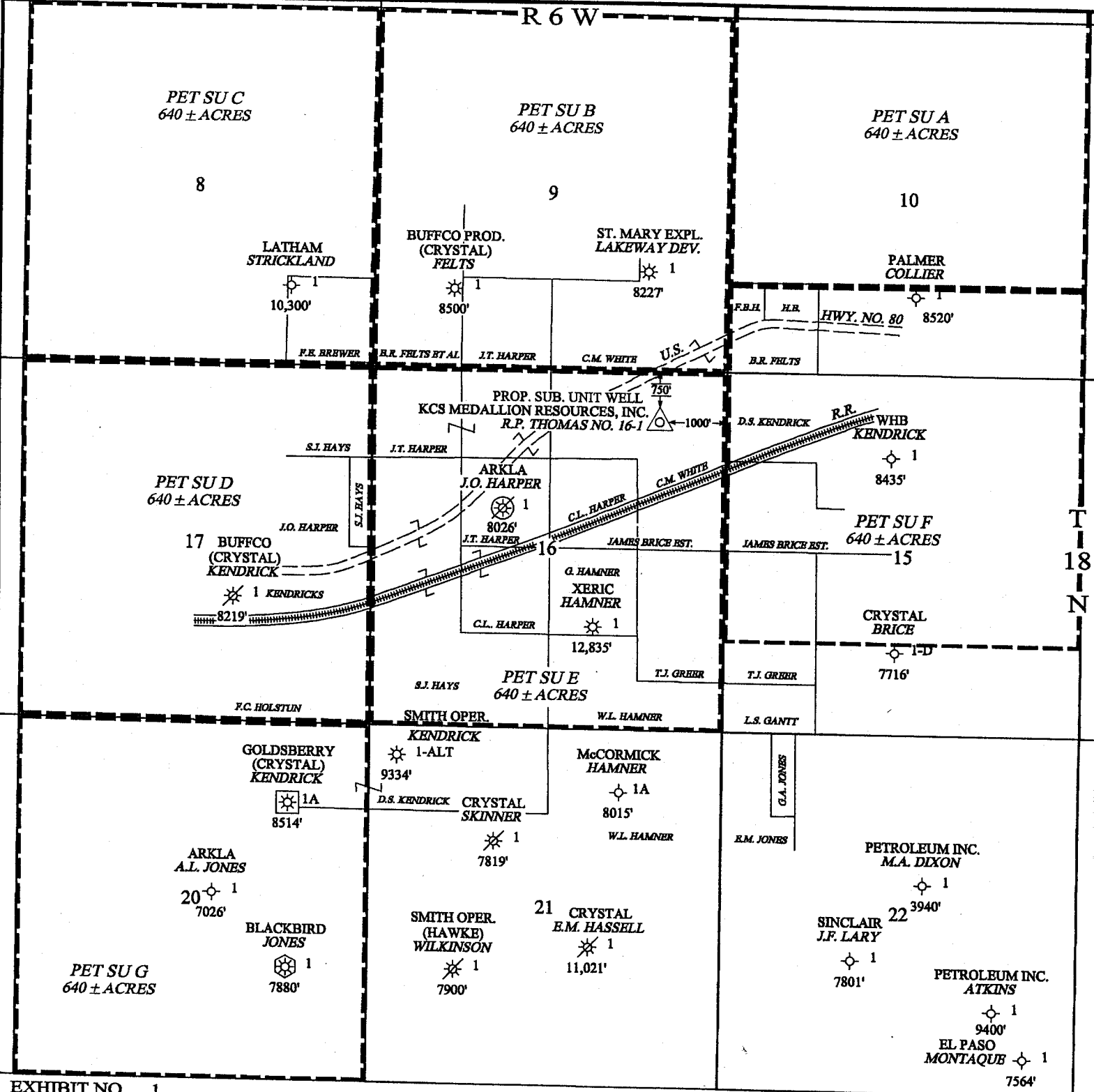


EXHIBIT NO. 1

DOCKET NO. 01-

KCS MEDALLION RESOURCES, INC.
TULSA, OKLAHOMA

WEST ARCADIA FIELD
BIENVILLE PARISH, LOUISIANA

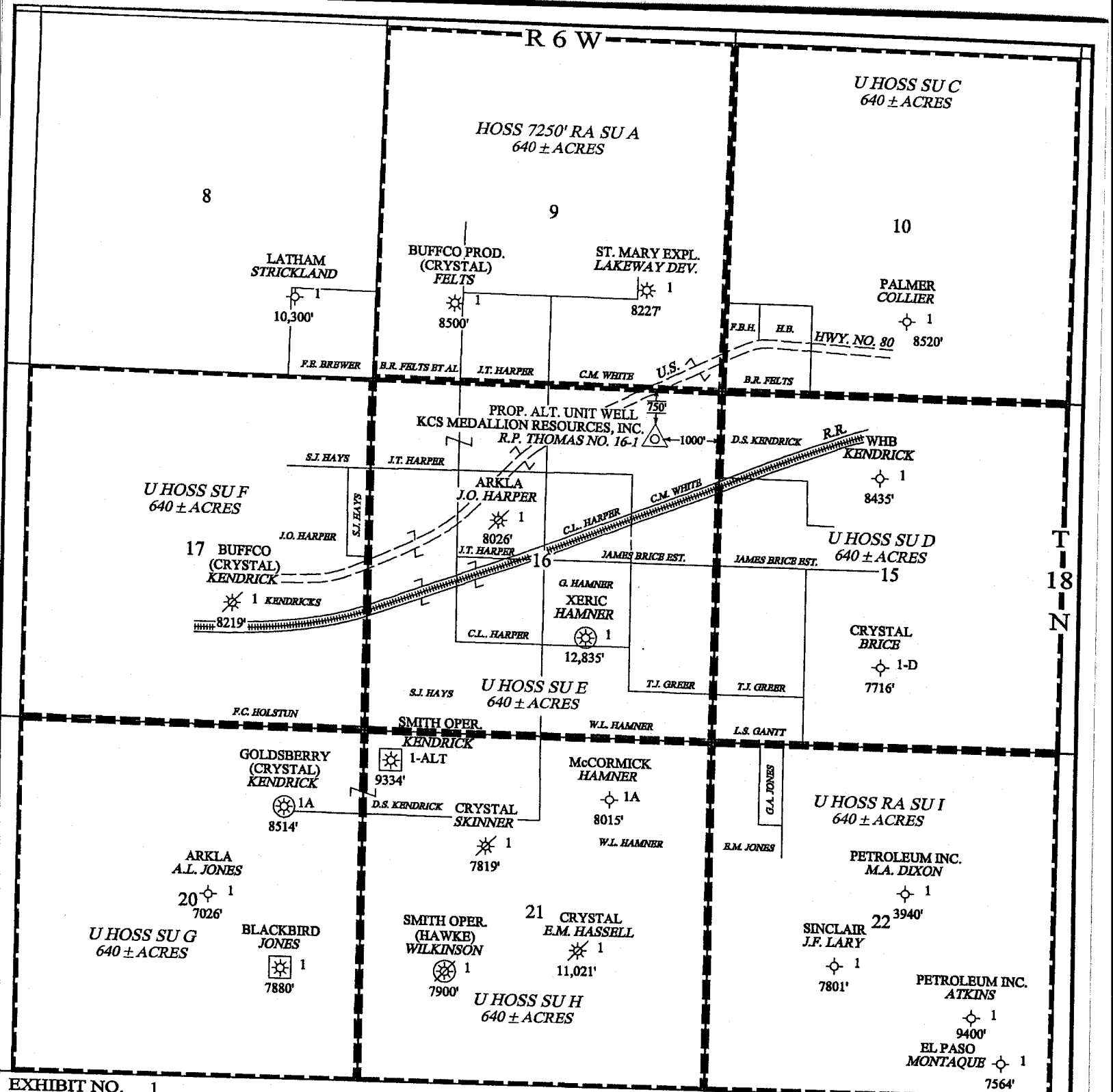
PROPOSED SUBSTITUTE UNIT WELL AT EXCEPTIONAL LOCATION FOR
PETTET SAND UNIT E

- :PROPOSED SUBSTITUTE UNIT WELL
- :EXISTING SUBSTITUTE UNIT WELLS
- :EXISTING ALTERNATE UNIT WELLS
- :EXISTING UNIT WELLS
- :EXISTING PETTET SAND UNITS



SHALLOW WELLS NOT SPOTTED.

GEOL. CRAIG BARCLAY

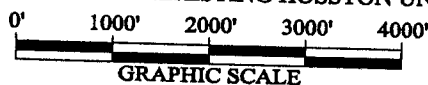


KCS MEDALLION RESOURCES, INC.
TULSA, OKLAHOMA

WEST ARCADIA FIELD
BIENVILLE PARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELL AT EXCEPTIONAL LOCATION FOR
UPPER HOSSTON SAND UNIT E

- △ :PROPOSED ALTERNATE UNIT WELL
- :EXISTING ALTERNATE UNIT WELLS
- :EXISTING UNIT WELLS
- ⬡ :EXISTING SUBSTITUTE UNIT WELLS
- :EXISTING HOSSTON UNITS



GEOL: CRAIG BARCLAY

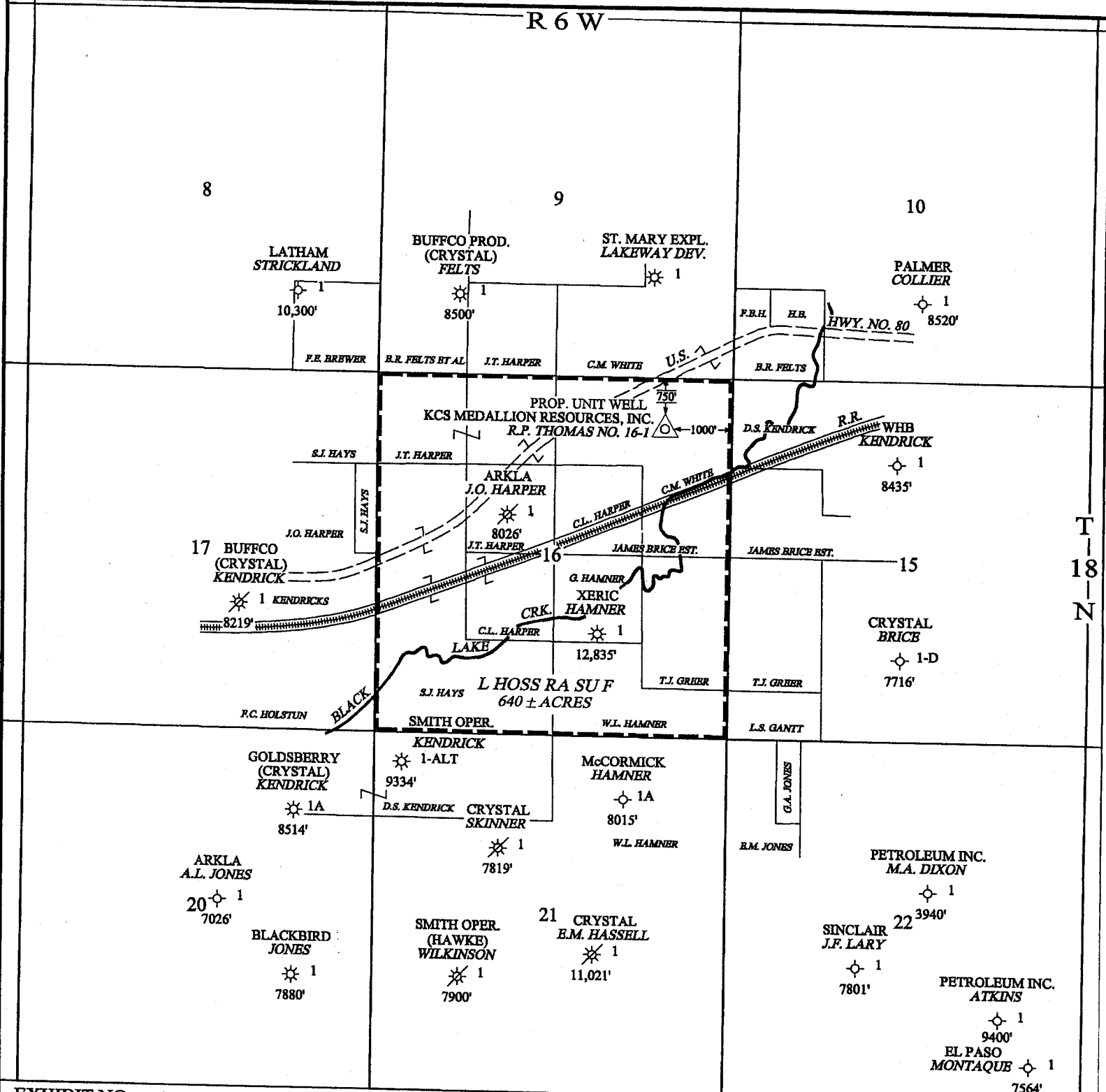


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KCS MEDALLION RESOURCES, INC.
TULSA, OKLAHOMA

WEST ARCADIA FIELD
BIENVILLE PARISH, LOUISIANA

PROPOSED UNIT WELL FOR
PROPOSED LOWER HOSSTON RESERVOIR A SAND UNIT F

△ :PROPOSED UNIT WELL FOR LOWER HOSSTON RA SU F
----- :PROPOSED LOWER HOSSTON RESERVOIR A SAND UNIT F



SHALLOW WELLS NOT SPOTTED.

GEOL: CRAIG BARCL